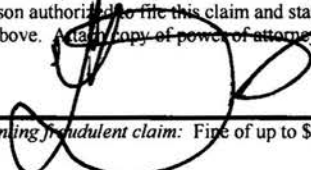


<b>UNITED STATES BANKRUPTCY COURT</b>		Northern District of California	<b>PROOF OF CLAIM</b>
Name of Debtor: <b>CARL ALEXANDER WESCOTT AND MONETTE ROSEMARIE STEPHENS</b>		Case Number: <b>12-30143 DM 7</b>	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>PENG LEONG</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)	
Name and address where notices should be sent: <b>PENG LEONG</b> <b>668 BLAIR AVENUE</b> <b>PIEDMONT, CA 94611</b>  Telephone number: <b>510-882-2200</b>		<div style="font-size: 2em; font-weight: bold;">FILED</div> <div style="font-size: 1.2em;">JUL 20 2012</div> <div style="font-size: 0.8em;">UNITED STATES BANKRUPTCY COURT SAN FRANCISCO, CA</div>	
Name and address where payment should be sent (if different from above):   Telephone number: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ <u>220,831.91</u>  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.  Specify the priority of the claim.	
2. Basis for Claim: <u>FRAUD</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	
3. Last four digits of any number by which creditor identifies debtor: _____  3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).	
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____  Value of Property: \$ _____ Annual Interest Rate _____ %  Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____  Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		<input checked="" type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(7).  Amount entitled to priority: \$ <u>220,831.91</u>	
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)  DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain: _____		*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
Date: <b>07/20/2012</b>  <b>PENG LEONG</b>		Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. 	
		<b>FOR COURT USE ONLY</b>	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

Case Number 12-30143 DM 7  
Attachment A

In June 2007, I purchased 668 Blair Avenue, Piedmont, California, (Property) through a private sale from Carl Alexander Wescott. At the time of the sale, there were two HELOCs and a primary mortgage on the Property. Our purchase agreement included an arrangement whereby I would pay Mr. Wescott monthly payments for the primary mortgage until I was able to obtain a new loan. The grace period for obtaining this new loan would expire at the end of 2009. Additionally, Mr. Wescott promised to pay down the two HELOCs (with a combined total of \$214,000) to zero and close both the HELOC accounts.

Mr. Wescott confirmed to me by emails he had fully paid the two HELOCs such that both accounts had a zero balance the day before the transaction closed. When I contacted Mr. Wescott in September 2009 to inform him that I had qualified for a new loan, he told me that both Heloc accounts had balances totaling approximately \$210,000. Mr. Wescott openly admitted that he withdrew funds from both accounts shortly after the transaction closed, essentially borrowing from Wells Fargo Bank (WFB) against collateral that he no longer owned. I immediately notified WFB of his apparent fraudulent actions. WFB froze both HELOC accounts.

Mr. Wescott promised that he had the funds and was able to pay off the HELOCs within two weeks. That did not happen nor did a string of broken promises that followed. Mr. Wescott was keeping up the HELOC payments for a while and eventually stopped paying on the HELOC with the higher balance (approximately \$142,000) towards the end of 2010. WF filed a notice of default and proceeded to foreclose on the Property. I paid WFB/TD Service the monthly payments that Mr. Wescott did not remit including late charges to stop the foreclosure. A letter of rescission was issued shortly thereafter. Mr. Wescott refused to make further HELOC payments.

When it appeared to me that Mr. Wescott had no intentions of paying off the HELOCs, I worked with Sonny Goswami, Assistant Branch Manager of WFB Emeryville branch to pay off the HELOCs on Aug 06, 2011. A total of \$220,831.91 was paid to WFB. That cleared the way for me to obtain a new loan. Ms. Maria Volkova, a WFB Home Mortgage Consultant, assisted me in obtaining a new loan.

The claim summary is presented in Attachment B. Attachments D through F include the transaction records and copies of checks documenting the payments to WFB. Attachment G includes the notification to WFB, Agreement to Purchase Property, and emails from Mr. Wescott showing balances on HELOCs in 2007, 2010, and 2011.

I can be reached at 510-882-2200 if you have any questions.



**CASE NUMBER 12-30143 DM 7**  
**Attachment B**

Amount of Claim Summary

5/12/2011	To stop foreclosure	487.40
5/13/2011	To stop foreclosure	4,430.66
6/9/2011	June payment	565.37
6/9/2011	June payment	240.19
7/14/2011	July payment	546.99
7/14/2011	July payment	190.19
8/6/2011	To pay off Heloc	71,546.55
8/6/2011	To pay off Heloc	142,824.56
	Total	<u>220,831.91</u>

Attachment C

**Wells Fargo Bank  
Transaction Record**

Store #0000092 08 Line of Credit Payment

CARL A WESCOTT  
Account Number XXXXXXXXXXXX1998  
00654 LL

Cash In	\$0.00
Number of checks	1
	\$487.40
Total Payment	\$487.40

Transaction # 040 0049  
01:29PM 05/12/11 Credited: 05/12/11 \*

\*Payments may take 1 to 3 business days to post but will be credited to your account as of the Credited Date on your receipt. Please retain receipt as verification.

Place outgoing mail in a U.S. Postal Service mailbox to reduce the chance of mail theft.

Thank you, Thai

**Wells Fargo Bank  
Transaction Record**

Store #0000092 08 Line of Credit Payment

CARL A WESCOTT  
Account Number XXXXXXXXXXXX1998  
00654 LL

Cash In	\$0.00
Number of checks	1
	\$4,430.66
Total Payment	\$4,430.66

Transaction # 123 0142  
03:56PM 05/13/11 Credited: 05/13/11 \*

\*Payments may take 1 to 3 business days to post but will be credited to your account as of the Credited Date on your receipt. Please retain receipt as verification.

Place outgoing mail in a U.S. Postal Service mailbox to reduce the chance of mail theft.

Thank you, Thai



Wells Fargo Online®

## View Check Copy

Check Number	Date Posted	Check Amount	Account Number
8137	06/09/11	\$565.37	PMA CHECK XXXXXX8898

PENG LEONG  
PO BOX 96286  
EMERYVILLE, CA 94662-9286

8137

11-4298/1210-4048  
7623578898

June 9, 2011

Pay to the  
Order of

Wells Fargo Bank

\$565 <sup>37</sup>/<sub>100</sub>

Five hundred sixty-five and <sup>37</sup>/<sub>100</sub>

Dollars



SECURITY  
FEATURES  
DETAILS IN  
BOX



Wells Fargo Bank, N.A.  
California  
wellsfargo.com

For

██  
██

*[Signature]*

Equal Housing Lender

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CASE NUMBER 12-30143 DM 7

Attachment D-1



Wells Fargo Online®

## View Check Copy

Check Number	Date Posted	Check Amount	Account Number
8136	06/09/11	\$240.19	PMA CHECK XXXXXX8898


**PENG LEONG**  
PO BOX 98288  
EMERYVILLE, CA 94662-9288

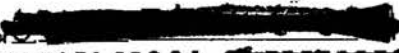
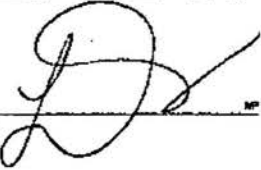
8136  
11-4288/1210 4048  
7625578898


June 9, 2011

Pay to the Order of Wells Fargo Bank \$240<sup>19</sup>/<sub>100</sub>

Two hundred forty and 19/100 Dollars

 Wells Fargo Bank, N.A.  
California  
wells.fargo.com

For  

⑆ 121042882⑆ 

 Equal Housing Lender

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CASE NUMBER 12-30143 DM 7

Attachment D-2



Wells Fargo Online®

View Check Copy

Check Number	Date Posted	Check Amount	Account Number
8106	07/14/11	\$546.99	PMA CHECK XXXXXX8898

PENG LEONG  
PO BOX 98288  
EMERYVILLE, CA 94662-9288

8106  
11-4286/1210 4048  
76255-78898

July 14, 11

Pay to the Order of Wells Fargo Bank

Five hundred forty-six and 99/100 \$ 546.99

Dollars

For [Signature]

121042882

Equal Housing Lender

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CASE NUMBER 12-30143 DM 7

Attachment E-1



Wells Fargo Online®

View Check Copy

Check Number	Date Posted	Check Amount	Account Number
8107	07/14/11	\$190.19	PMA CHECK XXXXXX8898

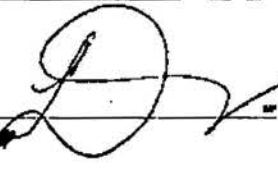
PENG LEONG  
PO BOX 99288  
EMERYVILLE, CA 94602-9288

8107  
11-4259/7210 4048  
7535075898

July 14, 11 Date

Pay to the Order of Wells Fargo Bank \$190 <sup>19</sup>/<sub>100</sub>

One hundred ninety and <sup>19</sup>/<sub>100</sub> Dollars

For 

121042882

Equal Housing Lender

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CASE NUMBER 12-30143 DM 7

Attachment E-2



CASE NUMBER 12-30143 DM 7

Attachment F

**CASHIER'S CHECK**

0000092 11-24  
Office AU # 1210(8)

Purchaser: PENG LEONG  
Purchaser Account: [REDACTED]  
Operator I.D.: cu014395

cu004296

PAY TO THE ORDER OF

\*\*\*WELLS FARGO ACCT # [REDACTED]\*\*\*

\*\*\*PAY OFF ESCALATION CASE # [REDACTED]\*\*\*

\*\*\*Seventy-one thousand five hundred forty-six dollars and 55 cents\*\*\*

WELLS FARGO BANK, N.A.  
5801 CHRISTIE AVE  
EMERYVILLE, CA 94608  
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,  
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION  
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND  
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND  
REQUIRE AN INDEMNITY AGREEMENT AND BOND.

SERIAL #: 0009205654

ACCOUNT#: [REDACTED]

August 06, 2011

\*\*\*\$71,546.55\*\*

VOID IF OVER US \$ 71,546.55

**NON-NEGOTIABLE**

**Purchaser Copy**

3004 M4293 11096341

**CASHIER'S CHECK**

0000092 11-24  
Office AU # 1210(8)

Purchaser: PENG LEONG  
Purchaser Account: [REDACTED]  
Operator I.D.: cu014395

cu004296

PAY TO THE ORDER OF

\*\*\*WELLS FARGO ACCT # [REDACTED]\*\*\*

\*\*\*PAY OFF ESCALATION CASE # [REDACTED]\*\*\*

\*\*\*One hundred forty-two thousand eight hundred twenty-four dollars and 56 cents\*\*\*

WELLS FARGO BANK, N.A.  
5801 CHRISTIE AVE  
EMERYVILLE, CA 94608  
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,  
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION  
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND  
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND  
REQUIRE AN INDEMNITY AGREEMENT AND BOND.

SERIAL #: 0009201658

ACCOUNT#: [REDACTED]

August 06, 2011

\*\*\*\$142,824.56\*\*

VOID IF OVER US \$ 142,824.56

**NON-NEGOTIABLE**

**Purchaser Copy**

B004 M4293 11096341

Case Number 12-30143 DM 7  
Attachment G

1. Notification to WFB
2. Agreement to Purchase Property
3. Email from Mr. Wescott showing zero balance on the first HELOC which had a former balance of \$72,000 in June 2007
4. Email from Mr. Wescott showing zero balance on the second HELOC which had a former balance of \$142,000 in June 2007
5. Email from Mr. Wescott showing balance of \$71,198.59 on the first HELOC in December 2010
6. Email from Mr. Wescott showing balance of \$142,465.37 on the second HELOC in May 2011

## FAX TRANSMISSION SHEET

TO: Chris Kinney  
Wells Fargo

FAX: 415-392-3877

FROM: Peng

DATE: Sep 15/09

SUBJECT: HELOCs – 668 Blair

PAGES 3  
(to follow)

---

Chris:

The notification letter and Grant Deed per our discussion yesterday are attached.

Please forward and confirm receipt of documents to the appropriate department/personnel.

Thanks for all your help.

Peng

### CONFIDENTIALITY NOTICE:

This message is intended only for the use of the person to whom it is addressed. It may contain information that is privileged or confidential. If the reader of this message is not the intended recipient or an agent of that recipient, you are hereby notified that any distribution or copying of this message is strictly prohibited. If you have received this message in error, please notify us immediately by telephone and return the original message to us at the address above via U.S. mail. Thank you.

September 14, 2009

Wells Fargo Bank  
HELOC Department

Subject: HELOCs  
Borrower : Carl Wescott  
Property Address : 668 Blair Avenue, Piedmont, CA 94611

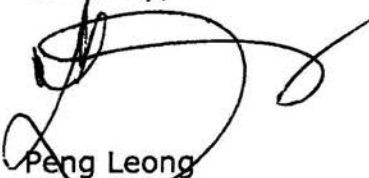
To Whom It May Concern:

We would like to notify you that as of June 13, 2007, Mr. Carl Wescott was no longer the legal owner of the abovementioned property. A copy of the Grant Deed is attached.

Mr. Wescott confirmed in two separate emails that were sent on June 13 and 16, 2007 that he had fully paid off the two HELOCs. On Sept 10, 2009, Mr. Wescott told me the two HELOCs had outstanding balances. He also said that it was his responsibility to pay the loans off.

I was told by your staff that Wells Fargo would not allow Mr. Wescott to take any further advances under the two HELOCs and that I would not be financially responsible for both HELOCs. However, Wells Fargo will retain the second and third trust deeds that had been recorded against the property until Mr. Wescott clears the balances on the HELOCs. As such, I would like to be kept apprised of your actions pertaining to the HELOCs until Wells Fargo issues a zero demand notice for both HELOCs.

Sincerely,



Peng Leong  
668 Blair Avenue  
Piedmont, CA 94611  
510-882-2200



RECORDING REQUESTED BY

The DSTL Family Trust

AND WHEN RECORDED MAIL TO

Name The DSTL Family Trust  
Street Address P.O. Box 99288  
City Emeryville  
State & Zip California 94662



2007225889

06/15/2007 01:53 PM

OFFICIAL RECORDS OF ALAMEDA COUNTY

PATRICK O'CONNELL

RECORDING FEE:

11.00

COUNTY TAX:

1650.00

CITY TAX:

19500.00



2 PGS

Parcel No.: 50-4612-4-3  
668 Blair Ave.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

CITY OF PIEDMONT TRANSFER TAX \$19,500.00

The undersigned grantor declares that the documentary transfer tax is \$1,650.00 and is computed on the full value of the property conveyed. The land, tenements realty is located in the City of Piedmont, California, and,

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Carl A. Wescott, a married man as his sole and separate property,

hereby GRANTS to

Peng Leong and Kooi-Hong Leong-Cheong, Trustees of the DSTL 2000 Family Trust,

the following real property in the City of Piedmont, County of Alameda, State of California:

See Exhibit A attached hereto and made a part hereof.

Dated: June 13, 2007.

STATE OF CALIFORNIA

COUNTY OF San Francisco } ss Carl A. Wescott  
Carl A. Wescott

On June 13th, 2007 before me, the  
Undersigned, a Notary Public of the said  
County and State, personally appeared

Carl Wescott

personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person on behalf of which the person acted, executed the instrument.

WITNESS my hand and seal.

Signature

Sean Castillo



(Seal) #1742470

MAIL TAX STATEMENTS AS DIRECTED ABOVE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

ALL THAT REAL PROPERTY IN THE CITY OF PIEDMONT,  
COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DESCRIBED  
AS FOLLOWS:

LOT 17, BLOCK F, MAP OF PIEDMONT HIGHLANDS, FILED  
MAY 14, 1924, IN BOOK 4, PAGE 40, OF MAPS, ALAMEDA  
COUNTY RECORDS.

APN: 050-4612-004-03

## AGREEMENT TO PURCHASE PROPERTY

### 1. Terms of Sale.

As of Friday, June 15<sup>th</sup>, 2007, (hereafter "DATE OF SALE"), DSTL 2000 Family Trust (hereafter "BUYER") buys 668 Blair Avenue, Piedmont, CA 94611 (hereafter "PROPERTY") from Carl Wescott (hereafter "SELLER") for US \$1,500,000.

Currently, there is a 1<sup>st</sup> mortgage, balance \$779,671.91 on Blair, and two HELOCs totaling \$214K on Blair. Buyer shall buy Seller's equity of \$670,328.09 (assuming two HELOCs are paid down to zero) with a cashier's check of \$120,328.09, and a condo valued at \$550,000, owned free and clear by Buyer.

Again, SELLER's equity in PROPERTY shall be bought with:

- A condo (555 4TH STREET, San Francisco, CA, 94107-1604, Unit 411) (hereafter "PALMS CONDO"), owned free and clear by BUYER, valued at \$550,000.
- \$120,328.09 in cash (will be used in part to pay down two HELOCs to zero balance).

### 2. Timing

On Tuesday, June 11<sup>th</sup>, 2007, BUYER and SELLER shall meet to sign all relevant paperwork and disclosure packages.

On Wednesday, June 12<sup>th</sup>, BUYER and SELLER shall meet to sign and notarize both Grant Deeds, and can then have Grant Deeds recorded in San Francisco and Alameda Counties ASAP thereafter. SELLER will give BUYER keys and anything else needed at this point.

### 3. Financing.

SELLER will provide financing for BUYER through no later than the end of 2009.

### 4. Mechanics of financing.

BUYER will take over all responsibilities of the PROPERTY, including the mortgage payments (principal and interest), taxes, and insurance. BUYER also gets all rights to the property, including being able to live there and being able to lease the property and to derive rental revenue from it.